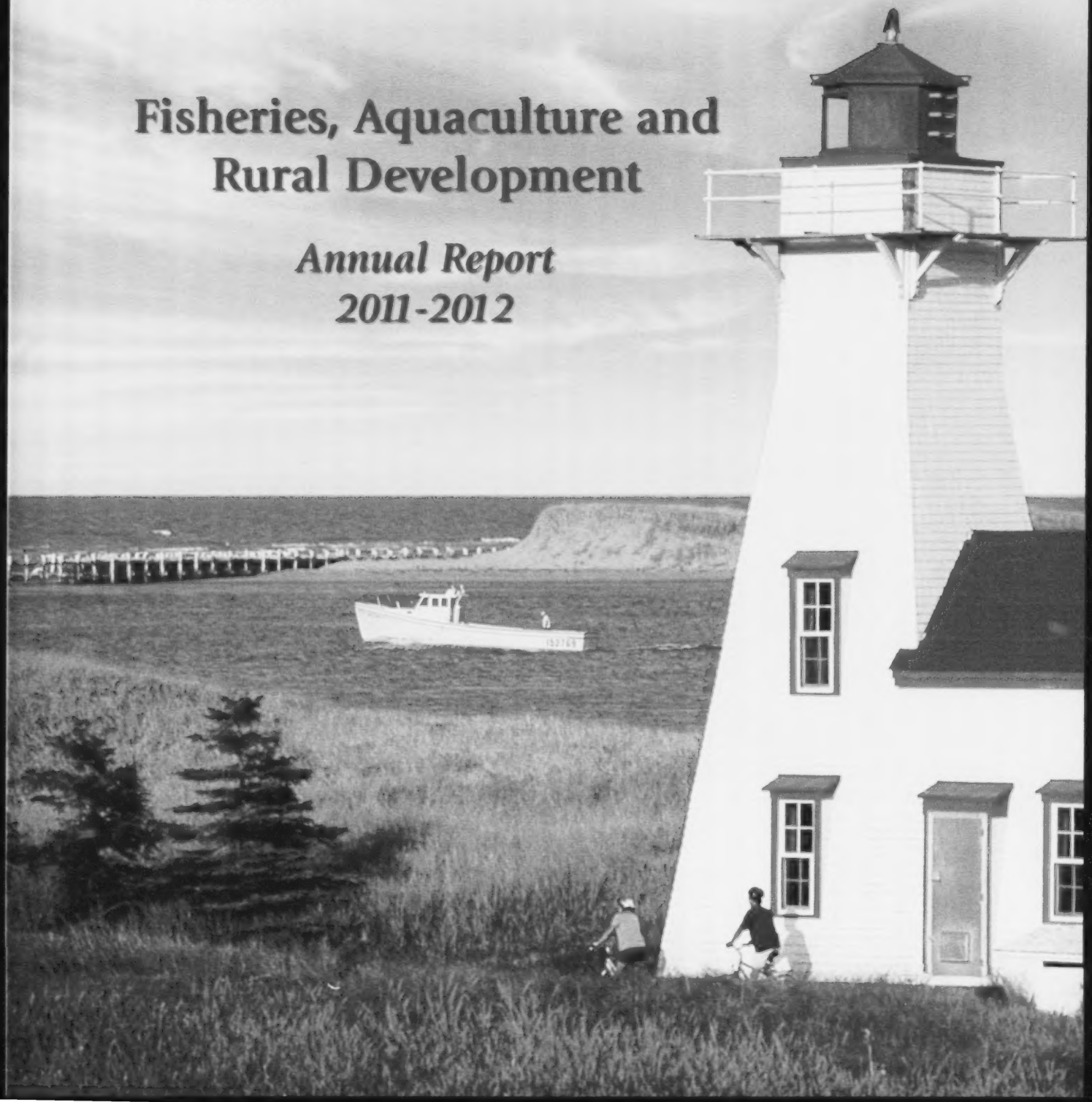
Prince Edward Island
CANADA

Fisheries, Aquaculture and Rural Development

Annual Report 2011-2012



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MINISTER'S LETTER OF TRANSMITTAL

To the Honourable H. Frank Lewis

Lieutenant Governor of Prince Edward Island

Your Honour:

I have the honour to submit herewith the Annual Report of the Department of Fisheries, Aquaculture and Rural Development for the fiscal year ended March 31, 2012.

I have the honour to be your obedient servant,

Ron MacKinley

Minister of Fisheries, Aquaculture and Rural Development

Ministre des Pêches, de l'Aquaculture et du Développement rural

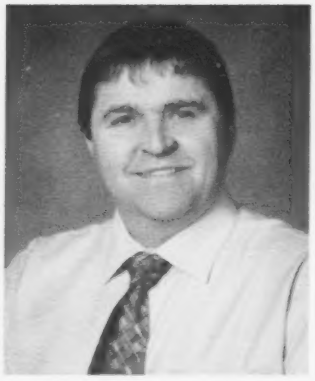
Honorable H. Frank Lewis Lieutenant-gouverneur de l'Île-du-Prince-Édouard

Votre Honneur,

J'ai l'honneur de soumettre sous ce pli le rapport annuel du ministère des Pêches, de l'Aquaculture et du Développement rural pour l'année financière se terminant le 31 mars 2012.

Respectueusement soumis,

DEPUTY MINISTER'S OVERVIEW



To the Honourable Ronald W. MacKinley
Minister of Fisheries, Aquaculture and Rural Development

Dear Minister:

It is my pleasure to present the 2011-12 Annual Report for the Department of Fisheries, Aquaculture and Rural Development. This report provides an overview of work carried out in support of department goals for the period April 1, 2011 to March 31, 2012.

The 2011-12 fiscal year was a productive one for staff of the department. Some highlights include the significant progress that was made to address constraints in the lobster fishery. The department partnered with industry and the federal government to implement sustainability plans in PEI's lobster fishing areas and carried out market development efforts in North America, Europe and Asia including a pilot project to ship live canner lobster to China. Department staff contributed to the provincial efforts to support the workers who were displaced as the result of Ocean Choice closing their fish plant in Souris. Progress was made in the expansion of the oyster industry and efforts continued to develop new technologies to manage invasive species impacting the mussel sector. The Rural Action Plan continued to provide focus to the provincial government's efforts to strengthen rural Prince Edward Island. Three Rural Action Centres and two satellite operations were opened to help coordinate provincial and federal services to rural businesses and community organizations across the Island. Numerous projects were undertaken to support community groups across the province under the department's Island Community Fund.

It is my pleasure to serve as Deputy Minister for the department responsible to implement programs and services to such a wide range of clients including fishers, aquaculturists, seafood buyers and processors, community groups, municipalities, economic development organizations and those Islanders that use the services at Access PEI.

The department remains committed to its mandate to contribute to the growth of sustainable, prosperous fishing, aquaculture and seafood processing enterprises and provide policy leadership in developing new approaches to rural community development, service delivery and employment programs, the majority of which are rural-based.

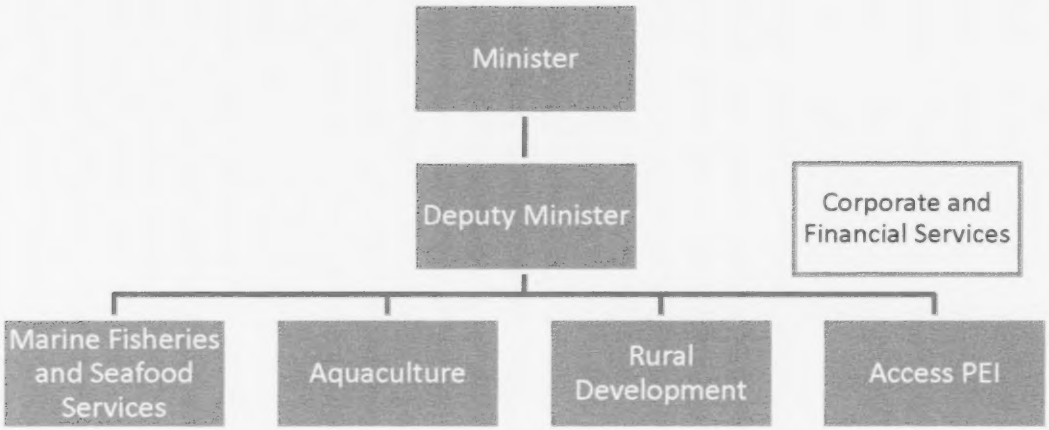
I wish to acknowledge the dedicated employees of the department who remain committed to delivering quality programs and services to Islanders.

Sincerely,

Richard Gallant, Deputy Minister

ORGANIZATIONAL CHART

Department of Fisheries,
Aquaculture and Rural Development



2011/2012 EXPENDITURES AND REVENUES

Department of Fisheries, Aquaculture and Rural Development

2011-2012 Expenditures and Revenue

Division	Original Budget	Revised Budget	Actual Expenditure/Revenue
EXPENDITURE BUDGET			
Department Management	$609,000	$615,000	$594,700
Marine Fisheries and Seafood Services	$2,003,600	$2,006,900	$1,685,900
Aquaculture Division	$1,299,600	$1,302,900	$1,340,400
Rural Development	$6,679,400	$6,482,700	$5,919,200
Access PEI	$2,800,100	$2,803,200	$2,657,800
Total	**$13,391,700**	**$13,210,700**	**$12,198,000**
REVENUE BUDGET			
Department Revenue	$51,200	$51,200	$51,100
Total	**$51,200**	**$51,200**	**$51,100**
TOTAL NET	**$13,340,500**	**$13,159,500**	**$12,146,900**

(Based on Oracle Financials 17-Oct-12)

CORPORATE AND FINANCIAL SERVICES

The Corporate and Financial Services Division is responsible for providing management services within the Department of Agriculture and the Department of Fisheries, Aquaculture and Rural Development. Services include both financial administration and human resource management for both departments.

The mandate of the division is to support the effective management of the departments through the delivery of key corporate services. In this capacity, the division works closely with the Minister's offices and the divisions within the two departments.

The following table outlines the primary management functions performed by the Corporate and Financial Services Division:

Responsibility Area	Management Functions
Financial Administration	Fiscal management and budgetary control; financial reporting and analysis, financial administration and accounting services; records management
Human Resource Management	Human Resource planning; benefits, staffing, payroll, and labour relations

HUMAN RESOURCES:

The Department of Fisheries, Aquaculture and Rural Development is committed to the development and sustainability of its human resources. In December 2010 the department endorsed its Human Resources Plan for 2011 - 2014. The plan recognizes that a highly skilled professional workforce is necessary to achieve the strategic goals of the department. The planning process was to ensure alignment of human resources with the strategic plan.

This year the Human Resource section focused on implementation of the HR Plan and ensuring that staff were heard through initiatives identified in the 2010 staff survey. The importance of staff recognition was identified by the Employee Network Team as a priority. In spring 2011, the department's first Recognition Plan was established.

As identified in the Human Resource Plan, the department continued its commitment to employee development. Throughout the fiscal year, and with departmental financial contributions, employees participated in continued educational programs such as masters, post-secondary degrees and certificate programs.

The rate of recruitment activities remained neutral for 2011-2012. Due to impending retirement of baby boomers, which is expected to have an impact on our workforce, the department has identified succession planning as one of its priorities in the next few years.

During this fiscal year, the department was challenged with the departure of five (5) employees due to retirements. There has been a huge loss of corporate knowledge as key staff members left the department. Attracting and keeping skilled and dedicated employees is critically important in delivering the quality programs that are offered by the Department of Fisheries, Aquaculture and Rural Development.

Position Establishment (as of March 31, 2012)

	Full Time	Part Time	Total
Minister's Office	4	0	4
Marine Fisheries & Seafood Services	9	2	11
Aquaculture	8	2	10
Rural Development	16	1	17
Access PEI	48	0	48
Total	85	5	90

In addition to the above established permanent positions, the department employed 29 casuals, 9 PSC temporaries and 3 students.

MARINE FISHERIES AND SEAFOOD SERVICES DIVISION

The division's mission is to provide quality advice, assistance and information to clients, as well as advocate on behalf of the marine fisheries industry with the goal to support the development of the fishing industry in a sustainable manner.

Marine Fisheries Section

The main role of the Marine Fisheries Section is to represent the interests of Prince Edward Island within the federal advisory committee process and to assist the Island fishing industry to represent their views fairly and fully.

Lobster Resource Monitoring Program

The Lobster Resource Monitoring Program continued with the collection of data on the Island's lobster resource through volunteer index fishermen recording daily information in logbooks. Over 100 fishermen participated in the program.
Department staff conducted at sea sampling throughout the spring and fall seasons through collaboration with commercial fish harvesters.

Lobster Research

A collaborative project involving the department, Fisheries and Oceans (DFO) Science, and the Prince Edward Island Fishermen's Association continued in 2011 with 180 lobster larval collectors placed in six locations. The locations were in waters adjacent to Skinner's Pond, Northport, Covehead, Fortune, Murray River and Nine Mile Creek. This year was the third year for collector deployment and the goal of the project is to develop a larvae settlement index for each location.

The department participated in a project with the lobster industry involving an investigation into the short term holding of canner lobsters prior to processing. The goal of this research was to assist the industry in understanding options to be potentially utilized when generally high landings occur during the initial weeks of the spring season.

Green crab as a potential lobster bait was investigated. Several fishermen conducted trapping studies during the commercial fishery. The results are still being analyzed.

The department continued its financial support to the Atlantic Veterinary College's Lobster Science Centre. The department also contributed to the Centre's project entitled, "Atlantic Lobster Moult & Quality Project".

Lobster Management

The 2011 Lobster Management Plan for the southern Gulf of St. Lawrence, including LFAs 24, 25 and 26A, was the initial year of a multi-year plan. The new plan includes carapace size increases, escape mechanism size increases, a reliable electronic catch and effort data collection system and an effective biodegradable panel for traps.

The management plan for LFA's 24 and 26A for the 2011 season included a minimum legal carapace size of 71 mm and the prohibited size range of 115 to 129 mm whereby all female lobsters in that range were to be returned to the water. At the request of LFA 26A fishers in Prince Edward Island, a

requirement for fishers to string a minimum of six lobster traps per line was continued in 2011 after its implementation in 2007. This measure is only for a portion of water adjacent to Prince Edward Island in LFA 26A. Further to a request by a portion of LFA 24 harvesters to address the concentration of lobster fishing effort within portions of the LFA and until discussions between DFO and stakeholders can occur, DFO separated LFA 24 into two separate administrative areas east and west of Malpeque Harbour. Fishermen can still fish anywhere within LFA 24. The definition of LFA 24 was also changed in the regulations and fishermen no longer need to request a separate license condition to have access to MacLeod's Ledge.

The 2011 lobster fishery management plan for LFA 25 included the following management measures; a minimum legal carapace size of 71 mm, a maximum size of 114 mm for females, a mandatory height of 40 mm for escape mechanisms required on traps, a maximum size for entrance hoops in traps was a diameter of 152 mm, and the possession of lobster and fishing gear was prohibited between 9:00 p.m. and one hour before sunrise. Further to a request by harvesters in LFA 25 from PEI and until further notice, the maximum number of traps per fisher was reduced from 250 to 240. DFO provided tags for 2,000 traps to the Prince County Fishermen's Association and a trap transfer program was carried out again this year to help fishers partially fund their sustainability plan.

The department provided funds to LFA 26A Restructuring Inc. and to Lobster Fishing Area 24 Sustainability Partnership Inc., to assist in the development of sustainability plans and funding proposals for their lobster fishing areas.

Future Fisher Program

The department continued the Future Fisher Program in 2011 which assists young fishers seeking to enter the lobster industry. The Future Fisher Program is designed to provide individuals with financial support, as well as workshops on various aspects of the lobster industry. These include management, biology, processing and economics. The three year program was launched in the fall of 2009. In 2011/2012, the program accepted 18 new entrants.

Lobster Landings

Catches for the 2011 season were approximately 12 million pounds in LFA 24; 4 million pounds in LFA 26A; 3 million pounds for LFA 25, for a total of 20.7 million pounds. The 2011 landings were 3.1 million lbs. lower than the overall 2010 landings.

The spring season opened on April 30 and closed on June 30. Canner prices started at $3.75 and market prices were $4.30. Fall prices were $3.25 for canners and $3.50 for markets.

Toad Crab

In 2011, eleven commercial licence holders were eligible to fish in the sub-zone from Covehead Harbour to East Point. However, due to poor market demand and the high cost of fishing, there were no toad crab landings in 2011.

Rock Crab

2011 landings of rock crab were approximately 1,881 metric tonnes (mt) with a landed value of $1.9 million. These landings included crab landed in the directed rock crab fisheries and crab retained as a by-catch during the lobster fisheries. The range in price for rock crab was $0.25 - $0.50 per pound.

Fishermen remain concerned with Fisheries and Oceans Canada's removal of conditions previously in place to control the retention of rock crab during the lobster fishery. Fishers were concerned over the amount and size of rock crab landed as by-catch and would like daily limits and minimum legal sizes reinstated. The department continued to support fishers in their effort to resolve this issue.

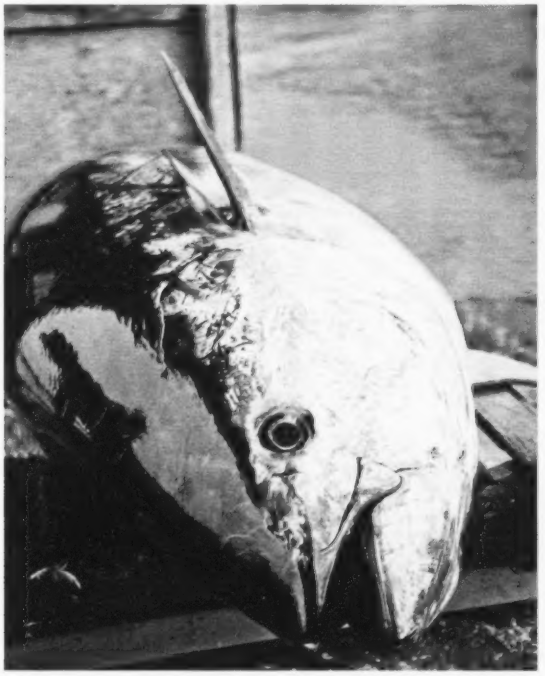
There are 43 Prince Edward Island rock crab fisher licences and two First Nations allocations in Area 26A. Each licence maintained a quota of 24 mt. The 2011 fishery opened on August 1 and closed on November 26. Prince Edward Island fishermen landed 1,027 mt.

In Area 25, the first season began on June 27 and ended July 29 while the second season began on October 16 and ended on November 25. There are 23 Prince Edward Island licence holders and three First Nations allocations. Each Prince Edward Island fisher had a quota of 25 mt. The landing in this area for Prince Edward Island in 2011 was 667 mt.

Area 24 had 16 fishers with permits, one licence holder and five First Nations participants. There was no individual or overall quota in this area and landings in 2011 were 187 mt.

Bluefin Tuna

For the 2011 bluefin tuna season, the Prince Edward Island tuna industry agreed on a conservation harvesting plan for its allocation of 127.54 mt of the Canadian inshore bluefin tuna quota. The PEIFA Tuna Advisory Board is mandated to oversee and manage PEI's fleet quota. There are 359 licence holders on the Island. For 2011, each fisher was permitted one tag for the season. A draw was conducted in October to allow an additional 66 tags to be issued to licence holders.



Final figures showed a total of 124.94 mt landed, with an average weight of 671 lbs.

2011	
Annandale	1
Covehead	1
Machon's Point	46
Malpeque	1
Milligan's Wharf	3
Naufrage	27
North Lake	135
North Rustico	6
Northport	13
Red Head	13
Rustico	1
Savage Harbour	7
Seacow Pond	44
Souris	25
Tignish Run	74
Tracadie	3
Off Island Ports	21
TOTAL	**421**

Average round weight = 671 pounds

Charter Boat Fishery

The tuna charter boat (hook and release) fishery began in mid-July. Twenty fishers participated in this fishery. The Charter boat fishery has added additional income to fishers and is supported by science work conducted on PEI.

Premier's Tuna Cup Award

Ronald Gormley, a tuna fisher from Murray Harbour, was recognized for landing the largest bluefin tuna of the 2011 season at a Prince Edward Island port. Mr. Gormley was presented with the Premier's Cup by Premier Robert Ghiz and Minister Ron MacKinley. The tuna weighed 1,149 lbs or 521 kgs and was landed on September 25th. The cup is awarded annually to recognize the importance of the tuna fishery to the economy and the international recognition it brings to Prince Edward Island.

4RST Atlantic Halibut

On August 3, 2011 Prince Edward Island had a one day halibut fishery for over 90 licensed ground-fishers. A total of 32.9 mt were landed from a quota of 31.1 mt. Landings were varied depending on the area fished. The slight overage will be reconciled within the 2012 fleet quota.

Spring Herring

The 2011 Area 16 spring herring quota (southern Gulf of St. Lawrence) was set at 2,000 mt. The western PEI spring herring fishery began in April, with the initial quota of 454 mt and a weekly boat limit of 10,206 kgs. PEI landed 257 mt of spring herring in 2011. Fishermen received 30-50 cents /lb as bait supply was in demand.

Fall Herring

The overall fall quota remained at 65,000 mt. The Prince Edward Island herring fishery takes place in two main areas; off North Cape in Herring Fishing Area (HFA) 16E, and Fishermen's Bank in HFA 16G. Each HFA has its own quota and the fishers set the season. HFA 16G (Fishermen's Bank) had a quota of 8,508 mt, with 650 mt assigned for the north side and 650 mt assigned for an early fishery in July for the south side. No landings were recorded in the early season on the north side, and 347 mt on the south side. This area was closed on August 28. The roe fishery opened on August 28 and closed on September 23 with 3,808 mt landed.

Western Prince Edward Island (HFA 16C/E) fishers had a quota of 8,692 mt, with 500 mt for a summer fishery, and 3,192 mt being allocated as an open, competitive quota for all fishers. The remaining 5,000 mt was split evenly between New Brunswick and Prince Edward Island. The total landings for HFA 16C/E was 8,487 mt.

The department continued to financially support PEIFA's two acoustic herring surveys in the two main fall fishing areas, Fishermen's Bank and North Cape. This data will be used to assist in determining the overall biomass of the stock.

Whelks

This new emerging fishery began in 2009 with 12 whelk permits issued across the Island to explore the feasibility of a sustainable and viable fishery. In 2011, several permit holders continued to investigate the feasibility of this fishery with sporadic landings not conducive to market conditions. This fishery remains an exploratory fishery to collect scientific data to determine the extent of the biomass. Full dockside monitoring and at-sea observer coverage was a requirement under the exploratory fishery policy. Department staff sea-sampled onboard during some fishing activity to collect data.

Gulf Shrimp

The Gulf shrimp fishery is located in three areas: Sept Isles, Anticosti and Esquiman off the coast of Quebec. In 2011, DFO maintained the Gulf shrimp total allowable catch of 35,115 mt and allocated 404 mt to Prince Edward Island. The Prince Edward Island government and Prince Edward Island Fishermen's Association requested a more equitable share at the annual Shrimp Advisory meeting held in Quebec.

Northern Shrimp

The 2011 total allowable catch remained the same as the 2010 quota of 24,990 mt. Canada received 83 percent of the 3L quota. Since 2000, Prince Edward Island has been awarded a temporary allocation in 3L of 1,500 mt. The Prince Edward Island Atlantic Shrimp Corporation signed a multi-year agreement with Ocean Choice International in 2005 to fish the Prince Edward Island shrimp allocation. Proceeds are invested in projects that involve harvesters, processors and the AVC Lobster Science Centre.

Seafood Services Section

Seafood Services provides advice and assistance to clients regarding maintenance of fish quality and production of quality seafood products. The section administers regulations under the *Prince Edward Island Fisheries Act* and the *Prince Edward Island Fish Inspection Act*. The section is also responsible for gathering, compiling and publishing fisheries information including statistical data relating to the maintenance and development of fishery resources.

The section supports projects for the improvement of fishing ports and shellfish landing sites under provincial jurisdiction.

Licensing

The Seafood Services Section is responsible for the administration of licenses pertaining to processing, buying and peddling under the *Prince Edward Island Fisheries Act Regulations*. Fish processing licenses are divided into four categories: primary processing, secondary processing, lobster cookroom (limited to 144 square feet of processing area) and groundfish processing (limited to 750 square feet of processing area). In 2011, the department issued 46 primary processing licenses, five secondary processing licenses, 14 lobster cookroom licenses and three groundfish processing licenses.

Fish buying licenses are issued on a species-per-buying-station basis. The six categories are lobster, other crustaceans, groundfish, pelagic, molluscs and other fish. During 2011, the department issued 109 spring and 25 fall lobster buying licenses, 104 other crustaceans, 47 groundfish, 129 pelagic, 113 mollusc and 10 other licenses.

In addition, 53 fish peddling licenses were issued to individuals and/or companies who peddle fish to consumers throughout Prince Edward Island.

Two fisheries inspection officers were responsible for enforcing regulations under the *Prince Edward Island Fish Inspection Act* and the *Prince Edward Island Fisheries Act*.

Dead Mammal Disposal

Seafood Services Section is responsible for coordination of the removal of dead marine mammals that wash up on Island beaches. The majority of these mammals are examined either in the field by personnel from the Atlantic Veterinary College, or in some cases, the carcasses are transported to the Atlantic Veterinary College for post mortem examination.

Staff worked closely with Provincial Fish and Wildlife Conservation Officers in the disposal of carcasses. The cost for disposal of dead mammals is the responsibility of the department and the amount depends on the size, location and condition of the carcass.

Environment officials approve locations for burial of dead carcasses and a local contractor or individual carries out the work of disposal. The Seafood Services Section coordinated the removal of approximately 12 seals and dolphins and five whales during 2011-2012.

Shellfish Landing Sites

The Seafood Services Section is responsible for the maintenance of approximately 50 shellfish landing sites throughout the province. There are erosion problems on the coastline and contractors are hired periodically to ensure that shellfishers have access to the shellfish harvesting areas.

Seafood Market Initiatives

The department, in collaboration with Innovation PEI, and Agriculture and Agrifood Canada, participated in seafood buyer missions by hosting delegations from China, India, Europe and the USA. The department also worked with Innovation PEI to coordinate a buyers program to coincide with the PEI International Shellfish Festival.

China Lobster Market Development
The department led a market development mission in collaboration with Innovation PEI. In November 2011, a Prince Edward Island contingent participated in the largest seafood show in Asia, the China Fisheries and Seafood Expo in Qingdao. The PEI delegation travelled to China with the mandate of promoting the development of a frozen lobster and mussel market in selected locations in China. The cities selected were Hong Kong, Beijing, Shanghai, Hangzhou and Qingdao.

International Boston Seafood Show
Attended a delegation of Prince Edward Island seafood businesses, trade officials and industry stakeholders to the International Boston Seafood Show from March 11-13, 2012. The show is the largest seafood exposition in North America.

European Seafood Exposition
The department, in collaboration with Innovation PEI, and a delegation of Prince Edward Island seafood industry stakeholders, attended the European Seafood Exposition from May 3-5, 2011. The show is the largest seafood trade fair in the world, drawing buyers and sellers from 144 countries. The European Seafood Exposition continues to be the most important event for companies looking to enter and access the European seafood market.

Seafood Promotion

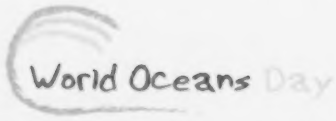
Prince Edward Island International Shellfish Festival
The department once again sponsored and was actively involved with the organization of the Prince Edward Island International Shellfish Festival. The festival, held from September 15-18, was co-hosted by the Prince Edward Island Shellfish Association and the Prince Edward Island Aquaculture Alliance. The Shellfish Festival has grown into one of the largest promotions of shellfish in Eastern Canada.

Minister's Shellfish Recognition Award
Deputy Minister, Richard Gallant, presented the 2011 Provincial Minister's Shellfish Recognition Awards to Arthur Hewitt, a leading member of the shellfish industry. The award was presented during the opening of the Prince Edward Island International Shellfish Festival in Charlottetown. The shellfish recognition award is presented annually to individuals for their long term contribution to the shellfish industry.

Out of the Sea and Over the Coals
The department's summer seafood promotion program, Out of the Sea and Over the Coals continued in 2011. This program has been in operation for over 20 years and aims to bring the taste of grilled seafood to visitors and Islanders alike. In 2011, the program hosted over 62 events at exhibitions, fairs, festivals, national and provincial parks, and other venues such as Confederation Landing and Spinnakers Landing. The events were demonstrated by two university students and attracted over 2,500 people. These included visitors to Prince Edward Island from across Canada, the United States and Europe. For many, this marked their first PEI seafood experience.

World Oceans Day

World Oceans Day is aimed at increasing awareness and understanding of the importance of the oceans which surround Prince Edward Island and the marine life which inhabits them. World Oceans Day has been designated by the United Nations to celebrate oceans and society's connection to the sea.



In 2011, the World Ocean day events were a collaborative effort of the Department of Fisheries, Aquaculture and Rural Development, the Department of Education and Early Childhood Development and Fisheries and Oceans Canada. Students at Alberton Elementary, Stratford Elementary and Montague Consolidated schools attended presentations by Oceans Wild. Oceans Wild delivers educational programming to engage, entertain, and educate students by touring a life-size fin whale model and other displays to provide students a first-hand look at marine life.

AQUACULTURE DIVISION

The division's mandate is to provide high quality advice, assistance and information to the Prince Edward Island shellfish and finfish aquaculture sectors.

The Aquaculture Division provided program assistance to support the growth and sustainability of aquaculture businesses and to encourage the adoption of new technology. As well, the division administered programs and services to support the Island's estuarine shellfish fishery. In 2011, the landed value of shellfish and finfish products such as mussels, oysters, clams and salmonids was approximately $30 million. Employment in the sector was represented by more than 2,500 jobs.

The activities and programs delivered by staff in the past year were diverse including: providing technical and biological advice to the shellfish and finfish sectors, delivering a number of incentive programs that complemented technical services and assisted in the overall development of the aquaculture sector, actively participating on several national and regional committees and working groups, and advocating for the Prince Edward Island aquaculture industry.

Mussel Monitoring Program

The Aquaculture Division has delivered an annual Mussel Monitoring Program for mussel growers since 1982. In 2011, information was collected from 33 areas, representing 21 river or bay systems, which are utilized for mussel spat collection and/or grow-out. The program assisted growers in the management of their lease sites by providing information on the timing of mussel spat-fall, mussel meat yields, water quality, tunicate larvae numbers and the presence of potentially toxic algal species. The majority of the program was conducted during the ice-free season, with a focus on mussel spat-fall prediction between May and August and monitoring for the presence of potentially harmful algae, from September to December. In addition, meat yield analysis was conducted periodically on samples collected from under the ice in the winter months.

Information collected through the Mussel Monitoring Program was communicated to industry via our website, voicemail, and the annually published Mussel Monitoring Report, available both in print and online. Further information on the Mussel Monitoring Program can be obtained on the division's website at www.gov.pe.ca/go/musselmonitoring.

Oyster Larvae Monitoring Program

Since 1996 the department has been conducting an Oyster Larvae Monitoring Program. In 2011, 19 oyster seed collection areas were monitored for oyster larvae abundance and size. The areas were sampled two to three times per week, from the first week of July to the third week in August. In addition, oyster spat collectors were placed at several of the major spat collection areas to monitor abundance and frequency of spat-fall. The results were reported to industry using a voicemail system, through presentations at the industry meetings and in a summary report that was published at year-end. This information is used by industry members to determine the optimal time to deploy their collectors in order to maximize the amount of oysters they collect. In addition, the program information is used to compare recruitment information from different locations around Prince Edward Island and to provide information to industry on additional areas that may be used to collect oysters.

Aquatic Invasive Species

Since 1997, six marine aquatic invasive species have been detected in the waters surrounding Prince Edward Island. These invasive species, which are negatively impacting the shellfish industry, include the oyster thief *(Codium fragile)*, the green crab (*Carcinus maenas)*, the clubbed tunicate (*Styela clava*), the golden star tunicate *(Botryllus schlosseri)*, the violet tunicate (*Botrylloides violaceus)* and the vase tunicate (*Ciona intestinalis*). The mussel industry has been significantly affected by impacts from tunicate fouling on crop and equipment. The green crab has also impacted shellfish species, particularly populations of soft-shelled clams in the eastern portion of Prince Edward Island, and the eel fishery by damaging eel nets and captured eels. Another invasive species, the oyster drill *(Urosalpinx cinera)*, which was introduced into Prince Edward Island waters in the early 1900s, is increasing in its population size and is impacting both cultured and wild oysters.

Staff continued to work with industry members and Fisheries and Oceans Canada to assess and monitor for the presence of aquatic invasive species within the province. Monitoring was conducted to study the spread of the green crab and to investigate the spread of tunicate species. Staff were also involved in research and development projects to control tunicate fouling on aquaculture gear and product. The department partnered with Atlantic Canada Opportunities Agency, Fisheries and Oceans Canada, the Atlantic Veterinary College and industry, to provide funding and to set direction for a three year research project on tunicate control funded under the Atlantic Canada Opportunities Agency's Atlantic Innovation Fund. The project involved the development of techniques and mitigation strategies for invasive tunicate species fouling mussel farms. The project ended December 2011.

The Aquaculture Division is involved in several committees related to aquatic invasive species. Staff have been active members on the **Canadian Council of Fisheries and Aquaculture Ministers National Aquatic Invasive Species Committee,** which has a mandate to work on national initiatives related to aquatic invasive species. Division staff are members on the **Introductions and Transfers Committee** and the **Introductions and Transfers Tunicate Subcommittee**, which are both chaired by staff of the Department of Fisheries and Oceans Canada. The Introductions and Transfers Committee makes decisions on the introductions and transfers of aquatic organisms being transferred into Prince Edward Island waters. The Introductions and Transfers Tunicate Subcommittee provides advice to the Introductions and Transfers Committee on issues related to restrictions placed on shellfish transfers, as a result of tunicate infestations. The purpose of the restrictions is to prevent or slow the spread of tunicate species that may occur as a result of the shellfish transfers and other water based activities.

The Aquaculture Division also participated on the **Aquatic Invasive Species Steering Committee**, along with staff from Fisheries and Oceans Canada, academia and industry members. The committee meets to provide direction for communication, monitoring and research activities related to aquatic invasive species on Prince Edward Island, and to provide support to the Introductions and Transfers Committee.

Sea Lettuce Harvest Pilot Project

The Aquaculture Division partnered with the Prince Edward Island Shellfish Association, the Department of Environment, Energy and Forestry, the Department of Transportation and Infrastructure Renewal and the PEI Watershed Alliance to conduct a pilot project to examine the effectiveness and impact of utilizing a marine plant harvester to remove sea lettuce from estuaries. The project was conducted in the Mill and Hills River and Covehead Bay. The study also assessed the potential of value-added opportunities that may exist with harvested sea lettuce. The harvester was provided by a local company. The harvested sea lettuce was spread on farm fields to explore its value as compost. A report on the results of the project is available.

Strategic Oyster Aquaculture Renewal Program

The department partnered with ACOA and the PEIAA to provide funding for the three year Strategic Oyster Aquaculture Renewal Program. The program provided an incentive for oyster growers to increase oyster production and improve quality through the adoption of techniques or technologies to produce oysters on their leases. The program provided 50% assistance to growers for projects for new or modified equipment for seed collection, nursery and grow out operations and for harvesting oysters on leases. The program is being delivered by the PEI Aquaculture Alliance and provided $1,150,000 in funding for projects over the three year period. The program ended in March of 2012.

Oyster Diseases – Multinucleated Sphere Unknown (MSX) and Seaside Organism (SSO)

Aquaculture staff continued to work closely with officials from Fisheries and Oceans Canada to monitor oyster stocks throughout Prince Edward Island for the presence of MSX and SSO parasites. MSX and SSO can cause large scale mortalities of oysters. MSX was identified in 2002 in the Bras d'or Lakes, Nova Scotia, but has never been identified in Prince Edward Island oysters. SSO was found in Island oysters in 2002, at non-threatening levels and has not been detected since. Importing oysters from MSX positive areas in Nova Scotia is prohibited by Fisheries and Oceans Canada. Staff play an active role in partnership with Fisheries and Oceans Canada to investigate and determine the causes of any shellfish mortalities.

Marketing Analysis and Research for the PEI Oyster Industry

A study was conducted in 2010 by the PEI Aquaculture Alliance, with funding support from the Department, to estimate the current and future oyster production in PEI. The study suggested that there would be a significant increase in production. As a result, the department partnered with the Atlantic Opportunities Agency in 2011 to provide funding to the PEI Aquaculture Alliance to conduct a marketing study for PEI oysters. The study conducted an analysis of the market place in relation to PEI oysters and made several recommendations on moving forward in relation to an increased supply of oysters in the future.

Oyster Mission to France

The division provided funding support in partnership with Innovation PEI and the Atlantic Canada Opportunities Agency, to the PEI Aquaculture Alliance to coordinate an information exchange mission to France for PEI oyster growers. The growers conducted field visits, tours and meetings focusing on the highly successful oyster industry in France. The growers toured oyster growing areas, visited with oyster buyers and processors, and with equipment manufacturers. In addition, the growers met with officials at INFREMER, the key research institute for marine studies in France.

Industry Led Environmental Management System Project

The division partnered with the Department of Fisheries and Ocean's, Aquaculture Innovation and Market Access Program, to provide funding to the Research and Development Coordinator of the PEI Aquaculture Alliance to receive training on the environmental management systems related to industry certification.

The division also provided funding to the PEI Aquaculture Alliance to provide information to industry on the requirements to establish an environmental management system for shellfish farms. The process of companies becoming certified as producers of environmentally sustainable seafood will require that industry become educated in the certification process and adopt specific practices that will ensure their companies are able to obtain certification status. This project provided education to industry on the requirements of the various certifying bodies that are currently available. This project was led by the PEI Aquaculture Alliance's Research and Development Coordinator.

Canadian Shellfish Sanitation Program

Division staff assisted federal partners responsible for the delivery of the Canadian Shellfish Sanitation Program. Staff also are members of the Prince Edward Island Shellfish Working Group and the Atlantic Region Interdepartmental Shellfish Committee, where issues related to the Canadian Shellfish Sanitation Program and closures to shellfish harvest areas as a result of potential contamination, are discussed. The Aquaculture Division is also represented on the Canadian Council of Fisheries and Aquaculture Ministers Committee that discuss national issues that are under the mandate of the Canadian Food Inspection Agency, including issues related to the Canadian Shellfish Sanitation Program. Staff routinely assist in sample collection to ensure areas that become closed due to potential contamination, may be reopened as quickly as possible.

The department continued to partner with the PEI Department of Environment, Energy and Forestry to establish an industry/government forum on issues related to the Canadian Shellfish Sanitation Program and waste water treatment plants. The forum is held in conjunction with the bi-annual meetings of the PEI Shellfish Working Group. The forum provides an opportunity for improved communications between the shellfish industry and the operators of the waste water treatment plants.

Conditional Shellfish Openings

Over the past several years, the division has worked with the federal partners of the Canadian Shellfish Sanitation Program to collect water and shellfish samples to ensure that shellfish from the Vernon-Orwell River system, the Souris River system and Brudenell River can be harvested on a conditional basis. In 2011, staff continued to work with shellfish leaseholders in these three river systems to maintain conditional openings for the harvest of oysters, quahaugs and clams. The conditional openings, which operate under Conditional Management Plans, are a joint effort of the Canadian Food Inspection Agency, Fisheries and Oceans Canada, Environment Canada, the department and affected shellfish growers.

Alternate Harvest Plan for Charlottetown Harbour

The US Food and Drug Administration (USFDA) and the Canadian Shellfish Sanitation Program (CSSP) have been collaborating on changing the current methods for classifying shellfish growing waters. One of the major concerns the USFDA has with the CSSP is the in classification of shellfish areas adjacent to wastewater treatment plants (WWTPs), particularly in relation to overflows from the systems. The implementation of the new CSSP scheme has resulted in the frequent closures to the shellfishery in the Charlottetown Harbour area. A large portion of the harbour and estuaries have been immediately placed under the emergency closure for at least seven days following a sewage bypass at the Charlottetown Navy Quay sewage lift station. The unpredictable frequency of the sewage bypasses

resulted in the periodical closures of shellfish harvesting in the Charlottetown Harbour area and had significant impact on the local shellfish industry. The industry indicated the need for a more stable environment to manage and operate their business.

The Aquaculture Division worked in cooperation with the Prince Edward Island Shellfish Association to hire a consultant to develop alternate options for the management of the shellfishery in the Charlottetown Harbour area with the goal to reduce the number of times the fishery is closed in the area, but maintaining the harvest of safe shellfish for the consumer. An alternate approach to the management and classification in the Charlottetown Harbour area following a sewage bypass was developed and presented to the CSSP partners at the Atlantic Region Interdepartmental Shellfish Committee meeting, for their consideration. The approach involved a longer cleansing period for the shellfish at approved sites, but less frequent closures of the shellfishery.

Assistance Programs

Three programs, the Aquaculture Technology Program, the Aquaculture Environmental Practices Program, and the Aquaculture Futures Program were delivered by the division to the aquaculture sector. These programs assisted the industry to: evaluate new technologies, improve the environmental sustainability of aquaculture operations, stimulate applied research and development activity, and to assist in strategic planning, business development and industry promotion. The division continued to support the Atlantic Veterinary College's Shellfish Research Program. A contribution by the division provided the Atlantic Veterinary College with the necessary infrastructure and support to attract funding and conduct research projects focusing on priorities that are identified by, and relevant to, the Island shellfish industry.

A total of $100,000 was approved for the Prince Edward Island Shellfish Association to carry out oyster enhancement activities on public fishing grounds. Projects included seed collection, oyster relays and shell spreading. The enhancement activities are carried out with the goal to improve oyster quality and increase the size and number of publically fished oyster beds. The Prince Edward Island Shellfish Association cost-shared the oyster enhancement activities and delivered the program with technical assistance from staff of the Aquaculture Division. The long-term commitment of the department to the enhancement of the public oyster fishery has resulted in increased landings and opportunities for oyster fishers.

Aquaculture Leasing Program

The department continued, in partnership with the aquaculture industry, to provide management advice to Fisheries and Oceans Canada for delivery of the Aquaculture Leasing Program. The department has membership on the Lease Management Board, which oversees development of work plans, financial plans, and the policy framework of the program. The Aquaculture Division has representation on the Leasing Referral Committee and provides advice on applications for new aquaculture sites and other transactions. Under the Aquaculture Leasing Program, Fisheries and Oceans Canada makes the final decision on leasing matters, however, the industry and province have a role in management decisions. All parties contribute financially to the program.

Adaptive Management - Environmental Monitoring Program

Staff of the Aquaculture Division are members of the Shellfish Environmental Adaptive Management Committee that reports to the Lease Management Board. The committee is chaired by Fisheries and Oceans Canada (Habitat Division) and includes representation from the aquaculture industry. The purpose of this committee is to respond to emerging issues in the aquaculture industry and provide solutions, as necessary. In 2011 division staff continued to deliver the Environmental Monitoring

Program as part of the department's commitment to the Adaptive Management Committee, which included benthic and shellfish productivity monitoring.

National Aquatic Animal Health Program

The National Aquatic Animal Health Program is a fish health program, designed to protect Canadian farmed and wild fish stocks and Canadian export markets. The development of the National Aquatic Animal Health Program is led by the Canadian Food Inspection Agency, in cooperation with Fisheries and Oceans Canada. Staff have participated in consultations on regulatory changes to the *Health of Animals Act* that are required by the Canadian Food Inspection Agency to manage the program and in consultations in the development of the Program.

Sustainable Aquaculture Program

The division worked with Fisheries and Oceans Canada and other provinces under the Canadian Council of Fisheries and Aquaculture Ministers, in the development and the delivery of the federally funded Sustainable Aquaculture Program, for the Canadian aquaculture industry. Fisheries and Oceans Canada provided $70 million in funding for the program in 2008, which is to be delivered over a five year period. The funding is directed to regulatory reform and governance, regulatory science (to support regulations), innovation (reduction of production costs, industry competitiveness, new species and green technology), and product certification.

Staff of the Aquaculture Division are active members on the national Strategic Management Committee on aquaculture, which provides Fisheries and Oceans Canada with input on this program and other matters related to aquaculture.

National Aquaculture Strategic Action Planning Initiative

Division staff are involved with the Fisheries and Oceans Canada's National Aquaculture Strategic Action Planning Initiative (NASAPI). The mandate of NASAPI is to develop a plan for the further development of aquaculture in Canada. This planning initiative identifies and develops plans to address the strategic initiatives that are required by the Canadian industry for further development. Division staff are working closely with the Prince Edward Island industry, to identify priorities for the industry and to ensure that they will be included as part of the National Aquaculture Strategic Action Planning Initiative. The development of this initiative falls under the Canadian Council of Fisheries and Aquaculture Ministers Strategic Management Committee for aquaculture.

Aquaculture Implementation Committee

The Aquaculture Division collaborated with the Department of Fisheries and Oceans and the PEI Aquaculture Alliance on the Aquaculture Implementation Committee. This committee meets bi-annually and includes representation from DFO, the department, the PEI Aquaculture Alliance, the PEI Cultured Mussel Growers Association, the Island Oyster Growers Group, the PEI Finfish Growers Association, the Seafood Processors Association and the PEI Shellfish Association. Environment Canada and the Canadian Food Inspection Agency are also members of the committee. The committee is responsible to prioritize actions under the National Aquaculture Strategic Action Plan as related to the development of aquaculture in PEI and to address other important issues to the PEI aquaculture industry.

Memorandum of Understanding on Aquaculture in Atlantic Canada

In 2008, provincial Ministers responsible for the development of aquaculture in Atlantic Canada, signed a Memorandum of Understanding to work cooperatively to develop aquaculture in Atlantic Canada. Issues that will be addressed under the memorandum include aquatic invasive species, fish health management, coordination in research and development, investment in aquaculture, regional marketing

and promotion, training, education and harmonization of regulations. Division staff are members of the Atlantic Canada MOU Committee that is working to address the priorities identified under the Memorandum of Understanding. Staff are working to develop a Pan-Atlantic Fish Health initiative with the other Atlantic Provinces under the MOU. The purpose of the initiative is to ensure co-operation and coordination of activities related to fish health in Atlantic Canada.

International Conference on Molluscan Shellfish Safety

The Department partnered with the Canadian Food Inspection Agency to co-host the International Conference on Molluscan Shellfish Safety. This is the first time that this prestigious conference has been held in Canada and it attracted nearly 200 industry and government delegates from local and international locations. The conference covered topics such as: epidemiology, risk assessment, pathogen and toxin monitoring, analytical methods in microbiology and biochemistry, consumer health protection, management of production and harvesting areas and post-harvest processing. The conference provided an excellent opportunity for industry members, scientists and regulators to exchange information and related policies and procedures that we useto ensure that the shellfish we harvest are safe for consumers.

RURAL DEVELOPMENT DIVISION

The division's mandate is to provide quality advice, assistance and information to rural clients and develop new approaches to community development and delivery of employment programs.

The *Rural Action Plan* is a framework of seven goals and 40 actions intended to focus on existing and new efforts to develop the rural economy. To review the full *Rural Action Plan,* please visit: www.gov.pe.ca/go/ruralactionplan.

In its second year of implementation, the Rural Action Plan had many of its goals and actions underway or complete. Actions underway or completed are summarized below as they relate to each goal. Of the 40 actions identified in the Rural Action Plan, a total of 38 have now been completed or are underway.

Goal 1 Enhancing Business Development

Three Rural Action Centres have been established in Alberton, Central Bedeque and Montague with satellite offices in Souris and Wellington. The centres provide assistance with business and community development while providing a provincial and federal presence in each region.

Goal 2 Strengthen Primary Sectors and Natural Resources

The following lists actions that have been completed or are underway.

The Canada-Prince Edward Island Renewable Energy Initiative was implemented. Its purpose was to support renewable energy projects and fund on-farm energy audits. In fiscal 2011-12 there were 25 approved applicants and 19 applicants completed the installation of their renewable energy project. A Low Interest Loan Program was re-established in the fall of 2011 for all eligible fishers and a Future Fishers Program continues for new entrants in the lobster fishery on Prince Edward Island. Oyster Enhancement Program has delivered a number of projects to enhance the public oyster fishery, including the collection and spreading of oyster seed and one-year old juvenile oysters to wild beds in various locations throughout the province. A State of the Forest Report is in process and it is expected that a government review and actions will be determined at the time of its completion. The PEI Energy Corporation will proceed with a 30 megawatt wind development expansion in Eastern Kings that will increase the wind energy capacity of the Province.

Goal 3 Expanding Tourism

Five Regional Tourism Associations have been established in rural PEI to strengthen their capacity and grow the tourism product in those areas. The Fall Flavours Festival has completed its third year and continues to become a premier tourism event.

Goal 4 Environmental Conservation and the Rural Economy

During the 2011-12 fiscal year, work continued to implement the recommendations of the report of the Commission on Land & Local Governance. This work is directly linked with goals identified in the Rural Action Plan.

Goal 5 Support Community Development and Capacity Building

Actions continue to move forward in the areas of local municipalities and community infrastructure. A steering committee was struck in 2010 to oversee the work of two sub-committees: the sub-committee on the Municipalities Act Review and the sub-committee on Municipal Revenue Sharing. These committees have been tasked to create a new funding formula and a new municipal government act.

The Rural Jobs Initiative Program has invested approximately $6 million in the past four years to assist businesses and organizations to employ additional staff and broaden their job experiences. In 2011/2012 investments of more than $4 million were made to upgrade infrastructure on Prince Edward Island.

Goal 6 Human Resources, Education and Essential Services

Several actions were undertaken such as the renovation and construction of four new manors across PEI, a plan was developed for a new K-12 educational facility in the Souris area, and a volunteer leadership program was held in four regions across Prince Edward Island.

Goal 7 One Island Community, One Island Future

The focus of 'Goal 7' is to address the challenges in the sub-regions of Prince Edward Island. Over the past year the following initiatives have occurred: the West Prince Campus opened in Alberton, Licensed Practical Nursing courses have been offered in the area as well Residential Care Worker courses in both West Prince and Souris, the government paint shop opened in Tignish and the Dalton Centre is renovated to support the relocation of 20 new federal jobs.

Programs

Community Development Program

The Community Development Program contributed to initiatives which helped strengthen local communities. Sustainable projects which had a high degree of community involvement were assisted. Community involvement was measured in a variety of ways such as volunteers who contribute their time and/or expertise, fund raising monetary contributions via local businesses and organizations and arranging multiple funding partnerships.

In 2011/2012, 30 projects were approved under CDP, with a total contribution of $779,026. These projects had a total monetary value of over $2.9 million.

Island Community Fund

As part of the Rural Action Plan, the Island Community Fund became a development resource to assist the needs of rural communities.

The Island Community Fund is a six year initiative designed to provide funding to not for profit organizations, development groups and municipal governments to develop and implement initiatives that address the province's infrastructure needs. Urban and rural projects are eligible, however a focus was placed on infrastructure needs in rural areas.

The fund gives priority to capital projects which improve rural capacity, support regional and provincial priorities, and encourage retention and growth in rural communities.

In 2011/2012, ICF approved $4,716,324 in funding initiatives. A total of 79 projects across the Island were assisted, reflecting a total project value of over $14.3 million.

Regional Development Support Program

This program assisted community based development organizations in various locations across the Island. Assistance accommodated essential gap funding in support of planning and sustaining community initiatives.

In 2011/2012, 15 projects were approved under the program, with a total contribution of $125,173. The funding was used to support studies and to assist in the planning and development of the applicant's business and economic plans.

Community Capacity Fund

The Community Capacity Fund supported leadership development in community areas and enabled volunteers to plan development initiatives at the local level. Organizations were assisted with professional services, volunteer training, incorporation fees, newsletters, annual meetings and forums, surveys, business or design plans, and development strategies. Thirteen projects were approved under the program, with a total contribution of $3,600.

Seasonal Hiring Centre

The Seasonal Hiring Centre assists the various government departments in filling seasonal employment vacancies. The Centre advises departments on proper hiring procedures and manages an employee selection and referral service. The Seasonal Hiring Centre assisted with the staffing of 77 positions during this report period.

ACCESS PEI

Access PEI's mission statement is to provide high quality and efficient delivery of provincial government services to rural and urban clients.

Access PEI has a history of close to 20 years of delivering government services to Islanders. There are eight sites across PEI to ensure that every Islander is within close proximity to the services offered through the Access locations

There are eight Access PEI sites that provide a full range of government services to Islanders.

The purpose of the division is to provide quality services to Islanders through single window access to government programs, services and information. Islanders also access information through several hundred thousand telephone calls that are received and handled on an annual basis.

At Access PEI, customers have access to over 395 government services including: payment of property taxes; remittance of sales tax; renewing drivers licences; renewing vehicle registrations; obtaining marriage licences; obtaining fishing licences; and availability of government job application forms.

In 2011/2012 Access PEI served 189,649 customers and performed 283,744 transactions totaling $50,528,574.84 in revenue.

Customers per Site

Date	Site	Customers	Percentage
2011/12	Alberton	6,667	3.52%
2011/12	Charlottetown	82,456	43.48%
2011/12	Montague	19,801	10.44%
2011/12	O'Leary	7,551	3.98%
2011/12	Souris	14,966	7.89%
2011/12	Summerside	47,047	24.81%
2011/12	Tignish	5,658	2.98%
2011/12	Wellington	5,503	2.90%

Access PEI is the public face of government throughout Prince Edward Island providing Islanders with access to provincial government programs and services on behalf of all government departments. The division also provides administrative support to other provincial government departments within the eight sites.

Work is ongoing on the development of the Driver and Vehicle System that will make it easier for staff to deliver Highway Safety programs and services. This is a cooperative effort between Access PEI, Transportation and Infrastructure Renewal and IT Shared Services. The intent of the system is to improve the effectiveness and efficiency of Access PEI's operations by providing staff with the detailed information on the steps required to conduct various programs and services.

Staff training is conducted on an ongoing basis to ensure that staff is familiar with the procedures involved in the delivery of programs and services. On an annual basis, the Director of Access PEI meets with other departmental directors responsible for the programs and services delivered by Access PEI. This is a valuable tool in providing feedback to the departments for which Access PEI delivers services.

In the fall of 2011 the 2nd annual Access PEI staff conference was held for all staff across the Island. Due to the nature of the business the event had to be held on a Saturday. The day was based on building professionalism in the workplace and a focus on work life balance.